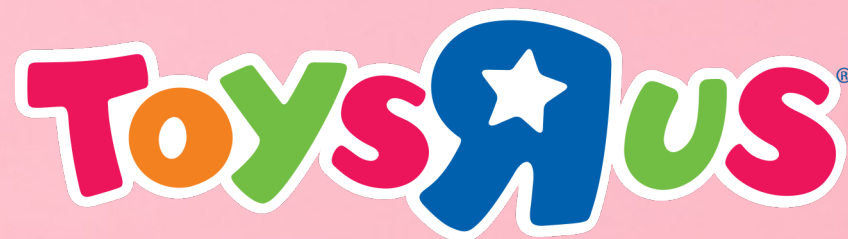
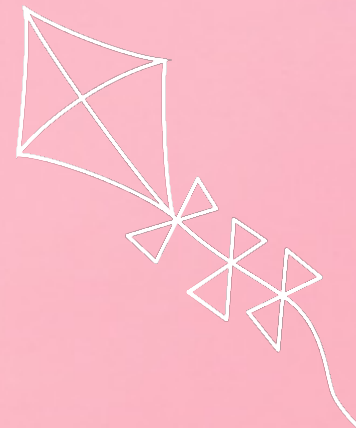


TOYS "R" US ANZ LTD (ASX: TOY)

FY22 FULL YEAR RESULTS
INVESTOR PRESENTATION

OCTOBER 2022



Toys"R"Us is the world's most trusted children and baby brand.

At Toys"R"Us ANZ, we believe that our baby range, toys and hobbies have the power to change lives, create new experiences and build memories and connections that last a lifetime.



EXECUTIVE SUMMARY

FY22 Revenue

\$37.9m

↑ 74%

FY21 Revenue

\$21.8m

FY22 Gross Profit

\$8.0m

↑ 93%

FY21 Gross Profit

\$4.1m

31 Jul 2022 Cash

\$12.5m

\$5.8m YoY decrease

31 Jul 2021 Cash

\$18.3m

Cash and equivalents includes cash, cash equivalents and term deposits held at bank and excludes loan facility

- Toys“R”Us ANZ Limited (ASX: TOY) is a digital-first e-commerce direct to consumer retailer of toy, baby, hobby and lifestyle products.
- TOY is the exclusive licensee for Toys“R”Us®, Babies“R”Us® and associated IP in Australia, New Zealand and the UK.
- \$15 million loan facility secured in July 2022 to support launch into the UK ahead of the upcoming peak gifting season.

CORPORATE SNAPSHOT

ASX Stock Code	TOY
Listing date	26 Oct 2020 (announcement acquisition by FUN)
FY22 revenue (to 31/7/22)	\$37.9m
Cash balance as at 31 Jul 2022	\$12.5m
Share price as at 4 Oct 2022	\$0.034
Shares on issue	861.86m
Options (13.8c, 1 Nov 2023)	8.46m
Options (16.6c, 1 Nov 2024)	10.18m
Options (13.8c, 1 May 2025)	1.69m
Service rights & deferred share awards	1.0m
Fully diluted shares	883.19m
Fully diluted market cap	\$30.0m

Board & Senior Management



Kevin Moore
Independent Non-Executive Chair



John Tripodi
Non-Executive Director



Louis Mittoni
Chief Executive Officer & Managing Director



Wei Si
Chief Financial Officer & Company Secretary



Lian Yu
Chief Operating Officer

Top Shareholders (as at 4 Oct 2022)

Rank	Name	Units	%
1	Louis Mittoni	291.2m	33.8%
2	Jason Sourasis	113.1m	13.1%
3	UBS Nominees Pty Ltd (incl. Regal)	73.9m	8.6%
4	Citicorp Nominees Pty Ltd	51.1m	5.9%
5	Theo Andriopoulos	41.3m	4.8%
	Other Top 20	149.6m	17.4%
	Total Top 20	720.1m	83.6%



FY22 KEY ACHIEVEMENTS



- Secured long-term exclusive license agreement to operate Toys"R"Us, Babies"R"Us and associated IP in the United Kingdom.
- Established 3PL logistics service partnership with Amethyst Group as warehouse and logistics provider in Warrickshire, UK. **The UK website has been soft launched and is set to stoke organic growth.**
- Steady organic Australian order growth facilitated by commissioning of state-of-the-art Autonomous Mobile Robot (AMR) e-commerce storage and picking logistics centre.
- Warehouse upgrade nearing completion – new facility in Clayton, Victoria provides 4x capacity.

B2C revenue +98%
YoY to \$26.0m

B2B revenue +28%
YoY to \$11.1m



THE STORY SO FAR...



- 185 vendors, 685 brands, 20,000 products.
- Toys“R”Us, Babies“R”Us and Hobby Warehouse retail brands.
- 188k active customers.
- \$133.50 average order value¹, 21% gross profit margin.
- \$12.45 average cost of customer acquisition².

FUTURE-FOCUSED BUSINESS MODEL

- Digital-first strategy - aligned with how shoppers are and will increasingly shop in the future.
- Low cost of doing business – centralised efficient operations incorporating state-of-the-art logistics technologies.
- Commencement of expansion to UK, Europe’s largest toy market with 25%+ online penetration of retail sales.

COMPETITIVE ADVANTAGE

- World’s most loved and trusted children and baby brands Toys“R”Us and Babies“R”Us, improved conversions and market recognition.
- Unbroken demographic journey – addressing the needs of families from newborn, toddlers through to teenagers and adults.
- Expansive product range, specialising in toys, babies and hobbies.

¹ Average for the three months ending 31 July 2022.

² Calculated as total click-ad cost divided by total number of Toys R Us e-commerce orders for the six months ending 31 July 2022.



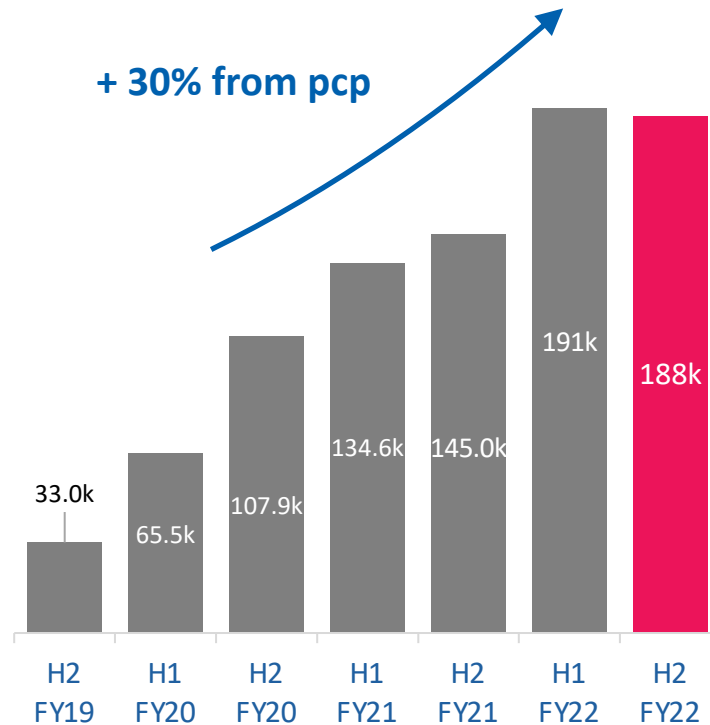
TRADING HIGHLIGHTS



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ACTIVE CUSTOMERS

Total Active B2C eCommerce Customers

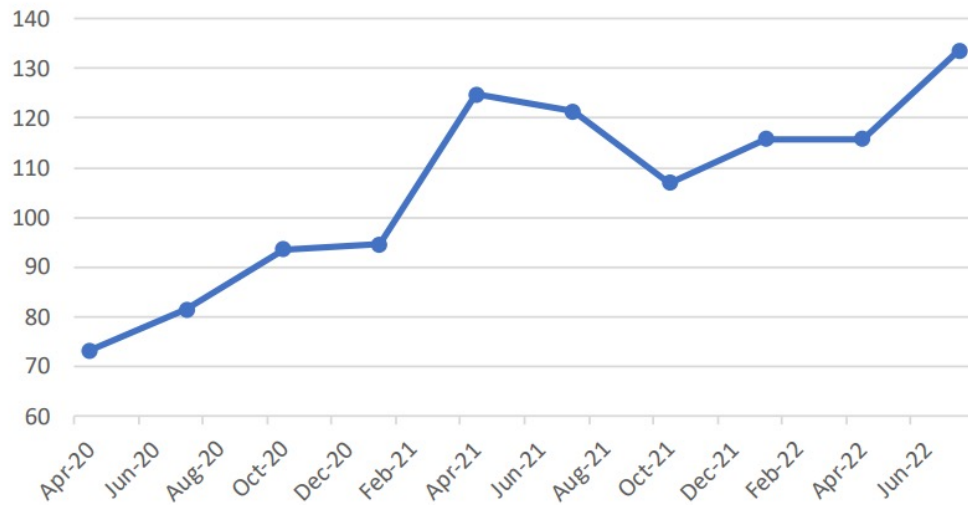


Total active customers increased markedly during FY22, despite lengthy delivery network delays, order backlogs and pausing of shipments in Feb 2022 to migrate key business systems.



GROWING LOYALTY AND ORDER VALUE

Average Order Value (A\$)



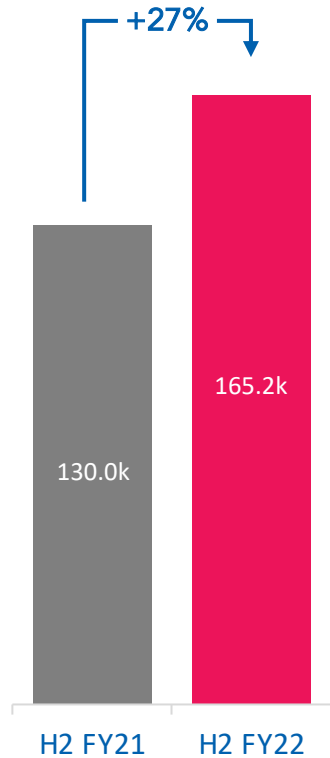
- Average Toys“R”Us order value (AOV) in Q4 FY22 was \$133.50, +10% YoY.
- Average cost of customer acquisition (CAC)¹ increased to \$12.45 in H2 FY22, reflecting industry-wide pressure on advertising costs.

¹ Calculated as total click-ad cost divided by total number of all e-commerce orders for the six months ending 31 July 2022 on www.toysrus.com.au.

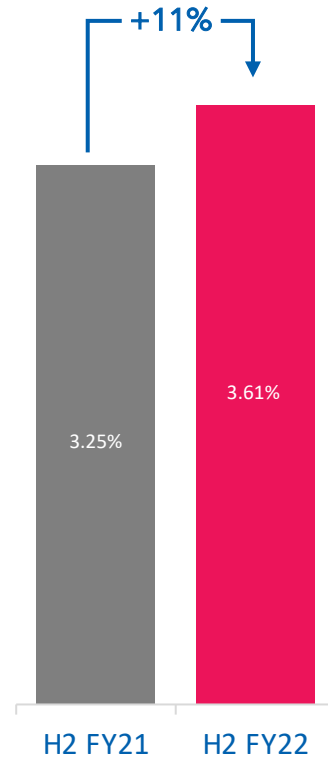


CUSTOMER ACQUISITION

Toys“R”Us
Active Customers



Toys“R”Us Click Ad
Conversion Rate



- Total active customers for Toys“R”Us increased ~27% in H2 FY22 vs pcip to 165k, following continued investment in online marketing in challenging trading conditions.
- Total active customers across all e-commerce channels increased ~29% on pcip to 188k.
- Higher average click-ad conversion rates continued to contribute to improved ROI and customer conversion volumes.

B2B SEGMENT: PROFITABLE GROWTH



- Our B2B segment is led by the Mittoni IT importing and distribution business, specialising in extreme performance eSports PC/console gaming peripherals, office products, consumer electronics and other enthusiast accessories.
- Our B2B business complements TOY's B2C operations and contributes increasingly profitable growth.
- B2B revenue increased by 28% YoY in FY22 to \$11.1 million.
- Segment EBITDA increased by 110% YoY in FY22 to \$1.3 million.



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ToysRUs



**UNITED
KINGDOM
EXPANSION**



UK MARKET OPPORTUNITY



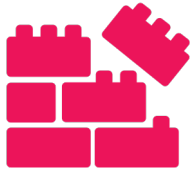
- The UK is one of the most advanced e-commerce markets in Europe.

- Internet sales account for more than one quarter of all UK retail sales, forecasted to increase to be one-third of all retail sales by 2025.

- The UK is ranked third worldwide by the number of online shoppers per capita, representing around 80% of the UK population; it is ranked fourth worldwide by online B2C revenue, estimated at £99 billion in the 2020 calendar year.

- Total addressable toy market for Toys“R”Us of £3.3 billion, representing the largest toy market in Europe and the fourth largest globally.
- Total addressable baby market for Babies“R”Us of ~£3.4 billion (includes maternity, equipment and clothing; excludes food and baby care).
- Former Toys“R”Us UK sales revenue peaked at £439m in 2015 and £421m in 2016 respectively.
- **Toys“R”Us remains a legendary brand in the UK, well-known and much-loved.**

UK LAUNCHING THIS QUARTER



- UK expansion is on track with a capital-light, digital-first market entry in Q4 CY22, building to deliver broader e-commerce services to UK shoppers for the holiday and new year season in late 2022.
- Recently appointed third-party logistics (3PL) specialist Amethyst Group as warehouse and logistics provider in the UK. Amethyst is one of the UK's largest third-party providers of warehousing and distribution services to the toy industry, delivering a cost-efficient supply chain with security and control over stock.

COMMENCING Q4 CY22

- Toys“R”Us UK has soft launched with 4,500 items.
- Babies“R”Us has also launched with ~1,300 items.
- Product is being sourced from over 170 vendors.
- Arrangements with delivery carriers are complete and operable.
- Shoppers are currently being offered free delivery on orders over £20 and next-day delivery on orders placed before 6pm.

INVESTMENT HIGHLIGHTS

Established business reintroducing one of the world's best-loved children's brands to Australia and the UK through a digital-first operating model

Superior product ranging and driving lower operating costs via investments in robotic automation and capacity to maintain this advantage

Delivering strong growth in revenue underpinned by improvements to operational capabilities and customer service levels

B2B business complements B2C operations and continues to contribute profitably to the Group

Implementing plans to accelerate and scale the Toys“R”Us, Babies“R”Us and Hobby Warehouse operations in Australia, and relaunch Toys“R”Us and Babies“R”Us in the UK

A world-class executive team pursuing a medium-term goal of 5% market share penetration in the toys, baby and hobby markets in all licensed regions





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Thank You

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